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TRANSLATIONS ON JAPAN  
(FOUO 21/79)

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POLITICAL AND SOCIOLOGICAL

OHIRA'S POLITICAL TACTICS TO BE WATCHED CLOSELY

Tokyo BUNGEI SHUNJU in Japanese May 79 p 149

[Article: "Keeping an Eye on Ohira-Style Political Tactics"]

[Text] The first thing we can observe about Ohira's three to four months of leadership of the Diet since the beginning of his administration is the "obscurity" of his political tactics. A typical example is the convoluted nature of the Ohira-style "partial coalition" concerning the 1979 budget bill, which was passed by the House of Representatives in irregular fashion [after] being rejected by him in the Budget Committee and then given turnabout approval in the main Diet session.

Concerning the complex course of the budget revision issue, which was brought to a close by this dramatic reversal, the 8 March NIHON KEIZAI SHINBUN wrote, "The Liberal-Democratic Party [LDP] members concerned with Diet policy and those of the opposition have been dallied with." A YOMIURI SHINBUN editorial on 4 March, entitled "A Budget Revision That Dallied With Our Expectations," criticized the "drama, mysteriously concluded behind closed doors," as [something] the people find impossible to comprehend.

Ohira himself, in a meeting with the heads of the Komeito and the Japan Democratic Socialist Party [DSP] on 1 March, appeared to comply with their demands for rewriting the budget. In actuality, he used his high-class tactics to "deceive" not only the opposition leaders, but even Secretary General Saito and other executives of the LDP. For the very next morning he "rejected the rewrite of the budget," an about-face performed to avert a challenge by the Fukuda faction and other critical forces within the party, thus making the phrase "dallying" even more apt.

But we must not forget that not only were the leaders of the government and opposition parties "dallied with" by the wily Ohira tactics, but also the newspapers. If we look at the morning editions of 2 March, all of them, with the exception of the cautious ASAHI SHINBUN, concluded that the negotiations for revision by the LDP, Komeito, and DSP would result in an agreement, each of them proclaiming with large headlines: YOMIURI, "Prime Minister Decides To Rewrite Budget"; TOKYO SHINBUN, "Government, Liberal Democrats Decide

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Upon Late Changes in Budget"; SANKEI SHINBUN, "Budget Revision Virtually Settled, [Heading] Toward Approval by LDP, Komeito, and DSP"; and MATNICH SHINBUN, "Pensions, Employment To Be Rewritten; Komeito and DSP To Concur on Budget." But with the prime minister's "change of heart," their shortsightedness became apparent.

As an editorial in the 4 March MAINICHI coolly pointed out, the true character of Prime Minister Ohira's "partial coalition" was no more than "throwing crumbs" to the opposition parties, given the fact that despite their similarities, the LDP will persist in preserving its majority. The Prime Minister has no reason to seriously consider a coalition government with middle of the road parties, since the LDP is assured of a stable majority, riding the wave of a conservative comeback, if the House is dissolved and general elections are held in the fall as expected.

What has also become apparent is that, far from what slogans like "the honest simpleton," "the dumb ox," and "spontaneous government without excesses" [imply], the substance of Ohira's politics has been surprisingly full of complex techniques of calculated power designs.

Nonetheless, on 3 March, after the negotiations for budget revision with the Komeito and DSP had been restarted, ASAHI proclaimed, "The Prime Minister and, Still and All, the LDP, Komeito, and DSP." The paper appraised Ohira's "partial coalition" rhetoric extremely naively, [assuming] that the decision for the actual revision accepted by the Prime Minister meant the strengthening of cooperation with the Komeito and DSP and, in short, progress along the LDP-Komeito-DSP line. But judging from the situation within the Komeito and the DSP after that, there was doubt whether the LDP-Komeito-DSP line would be able to progress smoothly, even after the consolidated regional elections in April. Moreover, concerning Ohira's tactics on the budget bill, [ASAHI] seemed to have only admiration for him, [reporting] "his biggest decision since coming into office," and [terming him] "no mean tactician" (16 March, ASAHI reporters' symposium). One wonders if one of these days that paper too might not be "dallied with" and taken in by the prime minister.

On 18 March, during a talk at the Defense Academy, Prime Minister Ohira put forth his pet theory, that the heart of overall defense security strategy lies in a "fully equipped defense strength." Whether this signifies the transformation of a former dove, or is nothing more than "playing with words" (20 March YOMIURI), opinions differ.

Political reporters, you must above all keep your eyes open for the new curve ball the prime minister has thrown, keep them open....

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POLITICAL AND SOCIOLOGICAL

'ASAHI' ON RESULTS OF MANILA UNCTAD MEETING

Tokyo ASAHI EVENING NEWS in English 6 Jun 79 p 2 OW

[Editorial: "North-South Dialog"--ASAHI SHINBUN 5 June]

[Text] The Fifth General Meeting of the United Nations Conference on Trade and Development, which was held in the Philippine capital of Manila for about a month, has ended without fully achieving "cooperation between the north and south."

Delegates of the advanced countries in the north and those of developing nations in the south certainly had shared the wish of the Philippines, as expressed by President Ferdinand Marcos, that "As the country sponsoring the general meeting, it wants the conference to be truly fruitful." However, although the participating nations tried to respond to the warm hospitality of the Philippines, they found the reality of the north-south problem too serious and complex to settle there.

A large number of resolutions were adopted at the meeting under the North-South Agreement. They dealt with special measures for late-starting developing nations suffering from poor economic conditions, such as land-locked states and insular countries, steps to strengthen the functions of UNCTAD and streamline its organization, means for UNCTAD to investigate trade protectionism and the question of industrial adjustments. However, there were many resolutions that were adopted after making sure that the measures would not be a burden to the advanced nations or after emasculating them to such a level

A decisive blow to the south was that it was unable to win concessions from the advanced countries on a resolution on "interdependences," which was the focal point of the general meeting, and that talks ended in dissension. In this resolution, the south wanted the north to recognize that the present and future prosperity of the advanced countries depends on such things as the rich countries' exports to the south and that the developing nations are vital to the development of the world economy.

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If the north accepts this, it will have to change the world economic system in such a way as to increase the say of the south on management of the world economy, such as decisions on trade, currency, financial and development policies. It was the draft resolution on "interdependence" that aimed for a breakthrough for the establishment of a "new world economic order" which the developing countries have been demanding repeatedly.

A resolution aimed at changing the world economic system could not be easily accepted by the advanced nations. Advanced countries, still smarting from the 1973 oil crisis and troubled by lower economic growth rates, high unemployment, inflation and trade imbalances, have become more cautious in dealing with demands of the kind made by the south.

The south is now plagued with differences within itself. There is the regional gap between the oil-producing and non-oil-producing countries, between developing countries well on the road to development and late-starting developing countries, and among southeast Asia, Central and South America and Africa. It has become difficult for the developing nations to cooperate closely with each other as before and force the advanced countries to accept their demands.

However, we should not be concerned only with the failures of the Manila meeting. As pointed out by Carlos Romulo, Philippine foreign minister who served as chairman of the general meeting, in his closing address, there should be "neither victory nor defeat at UNCTAD."

By looking straight at the severe reality of the north-south problem that showed up at the Manila session, the advanced nations and the developing countries should continue to work to promote dialogue and cooperation between the north and the south. Solution of the north-south issue should never be limited to UNCTAD. Efforts should be continued toward this end.

Because their economies are in bad shape now, the advanced countries should not be overly stubborn in their attitude toward the south's demands. At the Tokyo Summit scheduled for late June, Japan, which sent Prime Minister Ohira as the top delegate of an advanced country to the Manila meeting, has the responsibility of extracting positive postures of the advanced nations and of serving as a bridge between the two economic hemispheres. Concerning contributions to the "second window" to encourage market development for primary products, Japan, like the other principal advanced nations, did not announce concrete figures. However, Premier Ohira pledged "cooperation commensurate with Japan's capability" in his address to the Manila meeting. So Japan should tackle this problem with sincerity.

As a result of the recent general meeting, the question of industrial adjustments for countries in the north to open their markets to products

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from the south has become an increasingly important issue. Industrial adjustments are needed to prevent friction in trade among advanced nations.

In conclusion, we ask the developing countries to be willing to calmly look at reality. The recent general meeting in Manila has shown that hastily making excessive demands to the north will only end in disillusionment.

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MIYAMOTO DISCUSSES USSR, CHINA, TOKYO SUMMIT IN 3 JUNE SPEECH

Tokyo AKAHATA in Japanese 3 Jun 79 p 4 OW

[Speech by Kinji Miyamoto, chairman of the Japan Communist Party Central Committee Presidium, at the Tokyo Festival marking the 20th anniversary of AKAHATA, 3 June]

[Excerpts] Excellent Proof of the Vitality of Our Party's International Line

Ladies and gentlemen. All kinds of international problems have arisen over the past 20 years. Our Japan Communist Party's stance toward international problems has eloquently proved the vitality of our party's line.

Under these circumstances, the primary objective of our party's basic line on international issues is to resolutely fight against the policies of war and aggression pursued by the imperialist and reactionary forces headed by the United States, and to actively promote international solidarity for this purpose..

The principle governing relations among communist parties is independence, equality and noninterference in each other's affairs. As long as this principle is observed, friendly relations should be developed with all communist parties.

Ladies and gentlemen. World developments over the past 20 years have proved the correctness of this principle. (Cheers)

Communication with the USSR in the Socialist Language

Ladies and gentlemen. Recently our party and the CPSU correctly settled the so-called "shiga issue" and agreed to restore friendly relations. This agreement is also based on the aforementioned principle. Under this agreement, we are scheduled to hold formal talks with the CPSU in the near

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future. The two parties share a common view on important issues such as opposition to the Japan-U.S. Military Alliance. On the Asian situation also, they share nearly the same view. Being different parties and having different historical backgrounds, the two parties have different opinions on various problems such as the territorial and fishery issues. But talks between them are meaningful in that they will confirm their common ground and discuss ways to promote international solidarity. With regard to issues on which they have differing views, they will exchange their frank opinions by using the language of socialism and deepen mutual understanding from the viewpoint of promoting genuine friendship and solidarity between the two peoples.

Many people have often asked us: What is the significance of restoring relation between the two parties when viewed from the standpoint of the Japanese people?

As for this question, our two parties--which both hold communism and socialism as their principle and theory--will be able to conduct frank, cool, scientific discussions which cannot be done in government-to-government negotiations. Through these discussions, we will accurately convey the Japanese people's various wishes to the other side, thereby making progress, even a step forward, in issues upon which the two parties differ. We think herein lies our major role of accomplishing what the Japanese government would be unable to accomplish.

To revive Japanese militarism, the Japanese reactionary forces are now advocating the introduction of new arms and the strengthening of the Japan-U.S. Military Alliance while describing the Soviet Union as a potential enemy.

Under these circumstances, I think the JCP has a very important role to play.

The Chinese Invasion of Vietnam and the Future of Socialism

In the wake of the Chinese invasion of Vietnam, people feel uneasy about the future of socialism.

Ladies and gentlemen. As a matter of fact, we were flabbergasted when China, a socialist giant, launched open aggression against Vietnam, a neighboring socialist country, by throwing in hundreds of thousands of troops, saying it was going to "punish" Vietnam.

Three Reasons for Dealing with the Chinese Question

You may ask why we must deal with the Chinese question. We have no intention of interfering in the internal affairs of China, but we have to deal with the Chinese question for the following three reasons:

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First, in the middle of the cultural revolution, the Chinese Communist Party persistently attacked the JCP for not pushing through a Chinese type of revolutionary line. The CCP openly encouraged those JCP members who were expelled from the party for blindly following the CCP.

Second, the CCP has taken the attitude of supporting the Japan-U.S. Military Alliance, the extremely imperialist military alliance which we have never ceased to fight, shouting "We oppose the Japan-U.S. Security Treaty" and "Down with the Japan-U.S. Military Alliance."

Third, needless to say, the aggression against Vietnam clearly constitutes a violation of peace in Asia, something we have in common.

All these are not China's internal affairs. What I have cited amounts to unwarranted interference in the destiny of our country and, at the same time, it is a common international problem. I firmly believe that, by candidly pointing out all these things, we will help the CCP move forward in the right direction as a communist party. I believe that as long as the CCP remains a communist party, the time will come sooner or later when it will find the right course worthy of its past brilliant revolutionary struggles. (Cheers)

Historically, the JCP has had close relations with the CCP. The two parties fought together for a long time against the Japanese militarists' scheme to wage a war of aggression and against the aggressive war when they finally started it. We want to stress the following two points:

First, when an unfortunate thing happens in a socialist country, we should never allow it to becloud our view of the future of socialism. (Cheers)

Second, the JCP must continue to oppose the Japan-U.S. Military Alliance and push ahead with the task of building a peaceful, neutral and independent Japan. This is the only responsible way open for us in having the CCP really correct its mistake of supporting the Japan-U.S. Military Alliance. (Cheers)

The Tokyo Summit and the International Theoretical Symposium

Ladies and gentlemen. There is another international problem. A summit meeting of the seven major capitalist countries is scheduled to be held in Tokyo soon. Similar summit meetings were held several times in the past, but their subjects were always the same. Each time they discussed energy, international currency, economic growth, inflation, trade and the north-south problem. The fact that the subjects are always the same means that, no matter how often a similar cast of representatives gets together to discuss these problems, they will not be able to find basic solutions. (Cheers)

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The reason for this inability is: West Germany, France, the United States and Japan are all dominated by highly advanced monopoly capitalism. The deep-rooted contradictions intrinsic to the structures and systems of these monopoly capitalist countries cannot be resolved by the clever manipulations of the representatives of the establishments, be they from a conservative party or a social democratic party. (Cheers)

Ladies and gentlemen. As an antithesis to the summit in July, the JCP plans to hold a theoretical symposium of communist parties of advanced capitalist countries in Tokyo to mark its founding anniversary. (Cheers) We have invited the communist parties of nine countries such as the United States, France, Italy, Britain, West Germany and Spain. The symposium will discuss the following three subjects: "The present state and outlook for the struggles in advanced capitalist countries," "A new international economic order," and "The tasks of scientific socialism and peace."

Ladies and gentlemen. I will not go into detail, but I will tell you this much. Government leaders of the capitalist countries attending the summit will try to contrive ways to maintain the old economic order. But, instead of discussing the old economic order, we will discuss a new economic order, a new international economic order to replace the present international economic order centered around monopoly capitalist countries led by the United States. We will discuss the prospects for this new international economic order. There is also an urgent, common problem concerning the prospects for the struggles of communist parties in highly advanced capitalist countries. Furthermore, we have to seriously think about the question of peace as related to the cause of socialism in the context of the current Asian situation. We will discuss all these very important international problems. Ours will be a meeting of parties not in power, but its occurrence and the perspective it will provide will be such that, unlike the government-sponsored summit, our symposium will provide an outlook for the new future and the theory to usher in that future. It will be an epoch-making symposium, and we think we have to make it such. (Cheers)

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'YOMIURI' COMMENTS ON UNCTAD MEETING, TOKYO SUMMIT

Tokyo THE DAILY YOMIURI in English 5 Jun 79 p 2 OW

[Editorial: "Lesson for Summit"]

[Text] Rising oil prices and divisions within their own ranks worked against the developing countries in their bargaining with industrially advanced nations at the Fifth UN Conference on Trade and Development (UNCTAD), and as a result, little was achieved.

The conference demonstrated the ineffectiveness of the collective bargaining formula, and this fact alone will greatly influence north-south problems in the future. Although the south talked of cooperation, its stance was still one of confrontation.

Power Balance Against South

The root of the problem is that the north wants to keep the status quo, while the south desires change. And, in negotiations, issues are usually discussed from a position of power and the power balance went decidedly against the south.

Even before the fifth UNCTAD, the internal split among the developing countries was evident, and this division became more pronounced on the question of rising oil prices during the conference, and because of this split, the south presented its sweeping demands without force.

The present oil crisis hardened the attitude of the north and had the effect of unifying the industrially advanced countries in their discussions by their abrupt shifting from abstract ideology to concrete plans and problems.

The south put forward a resolution stressing the interdependence of nations in the economic sphere and asserting that the present rules on trade, finance and currencies must be radically reformed to give the south a voice on decisions that affect the world economy.

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While agreeing that this is an age of interdependence, the north opposed the resolution arguing that nothing can replace the rules of the market and there was no need to radically reform the existing international system. It is apparent that only when the combined economic strength of the south surpasses that of the north will its demands be accepted.

National Interests Far Apart

It is very difficult if not impossible for the south to really speak with one voice because the national interests of developing countries differ greatly from nation to nation. However, this is not to say that the south can be dismissed and ignored.

And, unfortunately, it seems now that the national leaders participating in the Tokyo summit will be too preoccupied with the oil problem to spend much time on north-south problems.

However, Prime Minister Ohira, who is the host of the summit, should not allow this to happen. Ohira attended the UNCTAD because he wanted to serve as a "bridge" between north and south, and should at the summit urge advanced countries to open their markets to industrial products from emerging nations.

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'MAINICHI' COMMENTS ON SOVIET-CHINESE MOVE FOR TALKS

Tokyo MAINICHI SHIMBUN in Japanese 7 Jun 79 Morning Edition p 5 OW

[Editorial: "Our Expectations of China-USSR Talks"]

[Excerpts] In a note to China on 5 June the Soviet Union proposed vice foreign minister-level talks to be held in July or August in Moscow to discuss improving relations between the two countries. The Chinese Foreign Ministry has not yet formally responded, merely saying that the proposal is "under study." Judging from recent exchanges between the two governments, however, there is no doubt that China will go along with the latest Soviet move. This development is indeed noteworthy as it brings bright prospects to Sino-Soviet relations, which have been strained.

In fact, that the two countries began moving toward negotiations apparently has something to do with the Chinese decision to renounce its treaty with the USSR. While the treaty is due to expire in April next year, the stipulation that either party "shall not participate in any alliance, action or measure directed against the other party"--in the latter part of Article 3 of the treaty--will remain valid until then. Although it might be in name only, China, unceasingly complaining about the Soviet threat, would naturally want to have a new arrangement in place of this provision before the two countries enter a nontreaty state. Making this need more urgent is the fact that it is necessary for China to have stability in the international field so as to push through its modernization programs.

Meanwhile, Sino-Soviet rapprochement may have the effect of driving a wedge in USSR-Vietnam relations. One cannot rule out the possibility that it may help improve the deadlocked Sino-Vietnamese relations.

The Sino-Soviet confrontation is so deep-rooted that it is premature to speculate that the current move will lead to an early reconciliation between the two countries. Let us take a look among other things, at the anti-hegemony clause in the 5 June Soviet proposal, which demands a basic change in the Chinese attitude toward the Soviet Union. It is extremely

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difficult to expect a Chinese compromise on this point. It is also possible that the 1969 stipulation of understanding may prove to be an obstacle to the proposed talks.

- On the other hand, one cannot rule out the possibility of the two countries reaching an accord on the nonuse of force. Such a breakthrough, if it materializes, would have a major impact on the international community. Future developments in the Sino-Soviet talks will be a matter of great concern to Japan, too, which pursues a foreign policy dedicated to peace.

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MIYAMOTO ON INNER-CP RELATIONS, NORTHERN TERRITORIES ISSUE

Tokyo JPS in English 0856 GMT 8 Jun 79 OW

[Text] Tokyo, June 8, JPS--In an interview with the Japan Broadcasting Corporation TV on June 7, Kenji Miyamoto, Presidium chairman of the Japanese Communist Party, talked over 30 minutes, expressing views in reply to an interviewer's questions. The following is the major points of Miyamoto's views on the international questions.

On the Themes of Japan-Soviet Communist Party Summit Talks

Miyamoto: The questions interested in by both sides, that will be the major subjects. They include such questions as the international situation, the situation in Asia, and the question relating to the military alliance between Japan and the U.S., the question of the state-to-state relationship between Japan and the Soviet Union, the territorial question, the fishery question, and the question of cultural exchanges between both sides. Another thing is how to actively push ahead with the party relationship from now on, taking lessons from the past severances of the party relationship.

On Four Islands of Habomai, Shikotan, Kunashiri and Etorofu

Miyamoto: Our position differs from the government's position. The government says it will maintain the Japan-U.S. Military Alliance, or in that sense, by keeping the U.S.-Japan Security Treaty, renounces the Chishima Islands, which is provided in the San Francisco "peace" treaty. The JCP, which was not involved in these matters said once that there should be a new way of approaching the question of Etorofu and Kunashiri Islands, After the Japan-U.S. Security Treaty is abolished; that is when Japan has become a peaceful nation. From the standpoint of wishing really long friendship between Japan and the Soviet Union, we sincerely hope that such a question be given ample time for a solution...concerning Hasomai and Shikotan Islands, as they are part of Hokkaido, and even the late Khrushchev once promised that they would be returned at some time in the future. [Sentence as received] But taking the Japanese government's demand for a bundle return of the four islands, this carries various

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contradictions, and we should like to carry talks separating the question of the Chishima Islands and the question of Habomai and Shikotan Islands.

On the Relations Between the JCP and the Chinese Communist Party

Miyamoto: Our position, from the beginning, is that the JCP will associate with all communist parties irrespective of differences of views, if there is no interference in the party affairs. But China still continues its intervention in the JCP. In addition, China recently announced that China would support the Japan-U.S. Military Alliance, and this is a serious matter for Japan's progressive forces. Besides China recently launched an attack on Vietnam. This is not an internal affair of China, but international issues. In this point, too, it is regrettable to say, that the present Chinese way of doing things and our way of doing things are quite different. As the primary thing, that the Chinese interference in our affairs is still continuing, there is a long way ahead of us to reach the point where China will not follow the policy of interference.

But I believe that the time will surely come that the Chinese Communist Party will change its ideas, if it is a communist party.

On Vietnam 'Intervention in Kampuchea'

Miyamoto: I have a clear-cut view on this matter...The Kampuchean side (in the era of the Pol Pot regime) had repeatedly attacked Vietnam, but the Vietnamese side time and again proposed that the dispute be settled by negotiations, and separate (each troops) five kilometers away from the border. But the Kampuchean side rejected them by severing diplomatic relations. China was giving aid to that Kampuchean government in the form of arms, pretending that China was supporting Kampuchea, so that we investigated and found out that the border dispute between Kampuchea and Vietnam was nothing but an unjustifiable attack on Vietnam, started by the Pol Pot regime.

In this sense, it amounts to a (Vietnam's) counterattack against the offensive started by Kampuchea, a (Vietnamese) defensive counterattack. This was overlapped by the Kampuchean people's insurrection against the Pol Pot regime, a civil uprising of the Cambodian people to liberate themselves, and resulted in a downfall of the Pol Pot regime. We hold that in such a situation, the so-called border clashes mean that Vietnam was compelled to counterattack in self-defense.

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INTELLECTUALS MOVING AWAY FROM JSP

Tokyo MAINICHI DAILY NEWS in English 30 May 79 p 4

[Column by Takehiko Takahashi: "Nagatacho Doings"]

[Text]

Secretary General Mitsuo Tomizuka of Sohyo (General Council of Trade Unions of Japan) has stirred up a controversy by declaring that intellectuals and women are abandoning support of the Japan Socialist Party. The statement is drawing attention as one pointing out the reality of the JSP today.

When the Japan Socialist Party was established after the end of the war, a feeling spread among the people that since Japan was adopting a democratic structure, the JSP would be the political party to shoulder Japan's destiny. Accordingly, even the managers of some enterprises joined the JSP. Among the general public, there were people who, without any thought of recompense, spent their own money to work for the JSP.

In particular, the so-called intellectuals gathered around the JSP and supported it. All this bore fruit, enabling the Japan Socialist Party at one time to become the No. 1 party and although it was in the form of a coalition, an administration

having a Socialist prime minister came into being.

There are several reasons for the intellectuals' recent alienation from the Japan Socialist Party. The principal reasons are probably as follows.

**Unions Stronger**

First, the voice of labor unions has become stronger in the party. Among the Socialist Diet members, there is an overwhelming number hailing from labor unions. Sohyo's present policy is to support the JSP and when an election takes place, the JSP is dependent on Sohyo for both funds and votes.

The most important thing for Diet members is to win in an election. As a consequence, Sohyo has become an organization exercising leadership over the JSP. The party's former Secretary General Tomomi Narita stated that "it is necessary to overcome the dependence on labor unions" and the present Chairman Ichio Asukata speaks of "the establishment of independence" but the party's attitude toward elections

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continues to be "dependence on labor unions."

Now that the labor unions' voice in the party has become this strong, the voice of the intellectuals has weakened to that extent. Since labor union leaders have their organizations backing them, they can and have made the voice of the intellectuals ineffectual.

It is only natural, under these circumstances, for the intellectuals to move away from the Japan Socialist Party.

#### **Ideological Dispute**

Secondly, the ideological dispute within the Japan Socialist Party is intense. The largest ideological group within the JSP is the Shakai Shugi Kyokai. As it began to display such strength as to be called "a party within a party," opposition to the group arose.

The confrontation between the Shakai Shugi Kyokai and anti-Shakai Shugi Kyokai factions intensified and the party faced the danger of a schism. It was to act as a mediator in this situation that Asukata resigned from his position as mayor of Yokohama to become the JSP chairman.

In the recent unified local elections, there was severe confrontation between Kyokai and anti-Kyokai groups, especially in Chiba and Fukushima prefectures, resulting in the defeat of the Socialist candidates.

Then again, there is a strong feeling of antagonism among intellectuals such as Masao Takahashi toward Itsuro Sakisaka, the theoretical leader of the Shakai Shugi Kyokai. This ideological confrontation

has gradually made the intellectuals dislike the JSP.

#### **No Respect**

Thirdly, the Japan Socialist Party does not show respect for intellectuals.

It is not only that the strengthened voice of the labor unions has led to disrespect for intellectuals. When the intellectuals write articles for the JSP's organ, practically no payment is made and this is said to be "only natural." There was one noted economic scholar who clearly stated, "I'll never write articles for the JSP again."

These intellectuals believe that there should be appropriate remuneration for "intellectual work." The party seems to consider it as "voluntary activity by comrades."

The intellectuals have no means for pressing for payment. For them, the problem is best solved by not writing. This is another factor that has put a distance between the intellectuals and the JSP.

There are other reasons. Among them, the possibility of a Socialist government being established appears very remote. Because the intellectuals who have supported the JSP see no possibility of their ever assuming positions of power, their enthusiasm has waned.

It is uncertain whether what Sohyo Secretary General Tomizuka has pointed out will be taken up by the JSP as a problem but the link that this has with the current decline of the Japan Socialist Party cannot be overlooked.

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POLITICAL AND SOCIOLOGICAL

VAN WOLFEREN MAPS PERSISTING COMMUNICATIONS GAP

Tokyo THE JAPAN ECONOMIC JOURNAL in English 8, 15, 22 May 79

[Article by Karel G. Van Wolferen]

[8 May 79, pp 17, 20]

Formal-factual Gap Has Been Institutionalized

[Text]

Karel G. Van Wolferen is correspondent for NRC Handelsblad (The Netherlands) based in Tokyo. He has lived in Asia since 1961 and specializes in the politics and sociology of Japan, Thailand and Indochina. This series will be carried in three installments. — Editor

It is no secret that a communication gap has opened between Japan and the West. If this gap persists, let alone widens, we can in the long run expect severe damage to the sense of solidarity, long taken for granted, of the community of non-communist industrial nations.

Last year in Bonn, these nations, fearing possible economic and political chaos, once again resolved to avoid formal protectionist sanctions.

But the issue has not gone away; if one takes recent warnings seriously, this laudable resolution may well be overruled by considerations of economic self interest.

**Blame on Japan**

If, in fact, the United States and the EEC decide to impose limitations on their free trade, the result could well be an uncontrollable protectionist chain reaction, of the kind that prologued the great depression of the 1930's.

If this happens, then, justifiably or not, most of the blame will be placed on Japan.

Germany, which also burdens its trading partners with balance of payments problems, is much better integrated in the Western community.

Germany belongs to the West geographically, racially and culturally; Germany also occupies a central position in the network of multilateral investments, which may be even more significant.

If Germany suddenly disappeared from the map, her neighbours would suffer severe economic distress; but if the same thing happened to Japan, very few (Australians perhaps excepted) would shed many tears.

Yet, ironically, it is Japan, the most dispensible of the members of the postwar liberal trading system, that stands to lose most if the system should be abandoned.

For many in the West, it is therefore all the more puzzling that the Japanese themselves appear unable to see that only a dramatic change in Japan's import policies can help stem the trend towards protectionism.

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These two different perceptions are a clear illustration of the existence of a communication gap between Japan and the West.

The Westerners are puzzled by the Japanese failure to respond to their warnings; the Japanese are puzzled that the Westerners are puzzled. The communication gap has two sides.

Excellent tacticians, Japanese are poor strategists. For people who know Japan well, it is not easy to imagine how the Japanese economic system with its very diffused internal power and responsibilities can do anything so drastic as to allow completely free competition on its home market, or severely to curtail its exports before the toughest circumstances force Japan to do so.

Therefore, to Japanese eyes, their Western trading partners seem to be asking for the impossible, as long as they don't match actions to their threatening words.

#### Unchallenged illusions

Communication gaps are built on unchallenged illusions. One such illusion shared by both sides is that they speak the same language. I am not talking about the limited ability to speak each other's languages, which, although demonstrably of less importance, is often emphasized by Japanese.

The real problem is that Japanese and Westerners often have essentially different perceptions of what is denoted by the same term. Japanese journalists and scholars have added to the confusion by describing their society with a borrowed Western terminology.

It is generally agreed that Japanese and Western institutions are often different. The use of Western terms in talking about Japan blurs the underlying, much greater, differences.

An example. A reader of Japanese English language newspapers who lacks a first hand knowledge of Japanese realities gets the impression that Japan is a parliamentary democracy, that it maintains political parties, labour unions and the like, which function more or less as they do in the West. But this is very far from being the case.

A Japanese prime minister, for instance, does not have anything like the same power exercised by his counterparts in other countries.

Japanese commentators of any sophistication are well aware of severe limitations imposed, not by law, but by communal tradition.

#### Double standard

But in imitation of their foreign colleagues, or for purposes of invective, they often blame the Japanese prime minister for not accomplishing things they know are beyond his capabilities.

In this instance the journalist is doing something very Japanese: he is using a double standard for judging reality.

The foreigner, however, is unaware of this double standard.

The Western style political behaviour described by Japanese journalists is plausible, it has an inner consistency, and so it is understood by the foreign visitor as he would understand newspaper comment in his own country.

But it is a purely formal reality. In negotiations with foreign emissaries, and even amongst themselves, Japanese refer to this formal reality as if it actually existed.

#### Unformulated understanding

At the same time there is a Japanese "factual reality," a largely unformulated understanding without which Japanese could not cope with their social environment.

The gap between what actually is and what is supposed to be is not unique to Japan. What sets Japan apart from Western experience is the fact that this gap between "formal reality" and "factual reality" has been institutionalized.

For Westerners, the urge to solve contradictions is a basic cultural command requiring no excuse or explanation.

Japanese society, on the other hand, is insensitive to contradiction. Japanese feel no nagging impulse to be constantly testing what is formally true against what is visibly true.

For Japanese this institutionalized gap between the formal and the factual is particularly important in social relations, of which, in Japanese eyes, trade negotiations are a subspecies.

Here we have a prime cause of the communication gap. Negotiating with Japanese, Westerners naturally suppose that the familiar judicial and commercial concepts used by their Japanese opposite numbers refer to what they seem to be referring to; the same procedures they know from home.

The Japanese also behave as if they were negotiating with partners at home. They tend to make elaborate use of the institutionalized gap between "formal reality" and "factual reality" to have it both ways.

If a Western businessman or government representative appeals to a contract, a law, or an international agreement, he may hear from his Japanese counterpart that in Japanese society one is not solely guided by cold rules on lifeless paper, but rather by warm human feelings determined afresh on every separate occasion.

But when the foreigner, at the next opportunity, appeals to this extra-legal tradition, for instance by urging bureaucratic intervention in a



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trade problem, he should not be surprised to hear that this is impossible in democratic Japan which, he should understand, is after all governed by laws.

Pursuing a debate on purely rational grounds in Japan often deteriorates into a chess game in which the Japanese opponent changes the rules whenever it suits him.

To Japanese this manoeuvring is one of the ways by which the strong and the higher-ranking claim their privileges in a society which has never insisted on resolving contradictions.

But it often brings the logically reasoning outsider to the edge of exasperation, and beyond.

[15 May 79, p 24]

Trade Gap Proves Wider Than Show of 'Sincerity'

[Text]

Formidable illusions on both sides in the economic conflict between Japan and the West have helped turn all the energetic efforts of one side to make its position understood by the other into exercises of futility.

One of these illusions is, as I suggested last week, the supposition that because Japanese and Westerners share a (Western) vocabulary of socio-economic terms, they are talking about the same things.

A second illusion of Western trade negotiators is that when they come here, they talk to the right people.

The problems I have described in the first part of this article are often not even noticed by the official envoys sent to Japan to clear up matters, as they get to deal with plain-speaking Japanese negotiating partners with whom, so it seems, they can really get to the heart of the matter.

#### 'Buffers'

These are the "buffers": Japanese entrusted with the task of making contracts with foreigners as smooth as possible.

Every big corporation and government office employs a

number of these people who can be amazingly frank, convey genuine understanding of the foreigner's difficulties, and create the impression of willingness to cater to his wishes. It is an illusion: the "buffer" has no such mandate, and usually enjoys rather little influence himself.

The former minister of external trade, Nobuhiko Ushiba, who is still the most important international economic trouble shooter, is a super-buffer, one of the more talented Japan has produced.

Ushiba is sophisticated in the ways of the West and pleads the Japanese case convincingly, but he does not have the mandate Western leaders have been led to believe he has.

Ministers more influential than Ushiba, or leaders of the economic federations, and even the prime minister himself, often play the buffer role on the occasions foreign trade envoys get to speak with them.

It is just as much a mistake to rely on these potentates' making good what Westerners interpret as their promises.

The trade negotiator who arrives home yet again with the news that this time he has really talked with the proper authorities, who have im-

pressed him with their readiness to take effective action, is deceiving himself.

Such persons with the necessary broad authority simply do not exist in Japan.

Inevitable disappointment with the minimal concrete results following "frank discussions" leads to the next Western misunderstanding that the Japanese are deliberately fooling the world.

#### Deceitfulness

The New York Times, commenting recently on the deceitfulness of the Japanese facade of goodwill, expressed a widespread notion which is steadily spreading even wider.

However, of the accusation of conscious deceit I believe that the Japanese are not guilty.

Truth tends to be established in Japan not so much by objective observation as by an emotionally directed picture in which things are the way they are supposed to be. And the way they are supposed to be tends to coincide with the interests of the group to which the individual belongs.

Moreover, what sometimes seems to outsiders to be Japanese hypocrisy, or even outright lying, may be a simple case of ignorance; as, for in-

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stance, when the director of a ministerial bureau denies the existence of specific non-tariff barriers.

Japanese bosses are in many cases merely nominally responsible for the activities of their subordinates. And the official authorities within the Japanese system have themselves quite often a poor idea of the precise goings on in an essentially self-regulating system.

Westerners may conclude that the Japanese are liars. The Japanese in their turn conclude from this that the Westerners completely fail to understand Japan.

Prime minister Ohira recently voiced a common Japanese opinion when he told a parliamentary committee that America does not know Japan and that this ignorance leads to misunderstanding.

#### **'Mutual understanding'**

One of the illusions on the Japanese side is that a campaign for the promotion of "mutual understanding" will contribute to a solution of the trade conflicts with the West.

The latest move in this direction is, I hear, the allotting of one billion Yen to help prepare understanding of the

Japanese position at the coming summit of industrial nations in Tokyo.

In all the years that I have lived here, scarce a week has passed without some newspaper's pleading in some context or another for improved mutual understanding.

This is a marvellous rhetorical device, like being for peace, since nobody can possibly disagree; and no one can measure the progress of the announced efforts.

However, in my view, all this hammering on mutual understanding merely multiplies the misunderstandings.

Apart from diverting attention from the issues really at stake, it blinds the Japanese to the fact that one of causes of the communication gap is that they don't want to be understood at all.

The uniqueness of being Japanese, which by definition cannot be understood by foreigners (as Japanese constantly persuade themselves in schools and via the media) is too important an ingredient for Japanese self-esteem.

In practice, therefore, "mutual understanding" means that foreigners should accept the picture of Japan presented by the Japanese establishment.

That, in the perception of the dissatisfied, argument-weary foreigner is propaganda, and not helpful analysis.

A second illusion on the Japanese side is that dissatisfied trading partners will be impressed by a generalized flurry of activity, without this leading to the results the impatient partners want.

#### **Good intentions**

Among Japanese, good intentions demonstrated with a lot of energy are often more important proof of "sincerity" than the tangible consequences of their actions.

Indeed, the Japanese translation of "sincerity," as most long term foreign residents have discovered, covers a rather different concept.

While the USA and the EEC in their troubles with Japan see only broken promises and a ludicrous gap between projected trade balance statistics and the reality, the Japanese authorities keep pointing to the "emergency measures" they have taken to appease their critics.

Japan showed "sincerity" but the trade gap — and more important, the communication gap — is wider than ever.

[22 May 79, p 24]

Japanese System Can Work Dramatically 'When Too Late'

[Text]

Is the way in which the Japanese economy is organized right or wrong? Are the complaints of Japan's trading partners about persistent trade surpluses justified or not?

In the absence of common standards of judgment these endlessly debated questions have no mutually convincing answers, but in any case, for

practical purposes, they are beside the point. A problem exists and ethical debate will not make it go away.

#### **Unacceptable position**

The Japanese have manoeuvred themselves into an international economic position which, rightly or wrongly, is unacceptable to the Western nations. Japanese are

not sufficiently conscious of this. It is nevertheless the Western nations, the overwhelming majority of the industrial world, who will decide the outcome.

In the first two parts of this article I described two sets of illusions: Western illusions that they and the Japanese speak the same language, that they talk with the right people in

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Japan, and that the Japanese are deliberately deceitful; and Japanese illusions that stopgap measures and incantations about mutual understanding will solve the problem.

There is another contribution to the communication gap from the Japanese side: the crumbled perception of the issue.

Of course, there are circles in the business world, especially on higher executive levels, in the Gaimusho, in the rarified heights of MITI, and I suppose even in the prime minister's office who undoubtedly worry about the ominous spectre of protectionism.

But this adds up to no more than inchoate feelings of unease without a clear pattern. True to the case-by-case tradition, the perception of the problem is not shared by all who should be conscious of it, and any progress in this direction is blighted by the tendency to treat Western protestations as isolated rumblings of a dormant volcano.

Sometimes a strong feeling of unreality comes over me as I read Japanese editorial comment about a new phase in the conflict, written as if the current dispute was thunder out of a blue sky. As if no backlog of similar unresolved cases existed.

The Japanese establishment as a whole does not see a clear picture of the situation, because it is broken up by the ad hoc case-by-case analysis; in the same way, the system does not respond with counter-measures of the necessary broad sweep.

So we are back at the strategic failure of the Japanese system, as I see it: the likelihood that it can only respond in a dramatic way when it is already too late.

Washington, at least until recently, apparently thought that the directorate of Japan Inc. was powerful enough to negotiate policy changes. This at-

tests to a basic ignorance about how Japan Inc. works.

There is in Japan no leading center that makes decisions and has the authority to carry these out. The Japanese establishment does not need strong centralized leadership to function effectively on its own ground.

Decisive action on the part of a prime minister to a degree comparable with that of his Western counterparts is not needed or tolerated.

The Japanese system works within Japan because it is made up of finely meshed all-Japanese components, and it has a capable bureaucracy to repair small defects.

#### Grave shortcomings

But in coping with the outside world the Japanese system often demonstrates grave shortcomings. Japanese policy within Japan is not finally determined by reason, but by power. The system has problems with its external relations because the rest of the world conceals power behind a mask of reason and political principle.

Foreigners find only "buffers" to reason with. And they search in vain for the men with power in Japan. Diffused throughout the system as it tends to be, or in some instances arbitrarily organized, at least in foreign eyes, Japanese power eludes the Western grasp.

The futile attempts to "negotiate with nobody" frustrate foreigners equally in the fields of national security, general foreign policy, and international economic relations.

#### "Take me to leader"

"Take me to your leader!" must be the secret scream of many a highly placed foreign visitor who is used elsewhere to getting down to brass tacks.

Japanese history shows many examples relevant to the conclusion that the weakly led system will only unite for a painful, drastic change of policy when overwhelming circumstances leave it no other choice.

In the present economic conflict with the West, no significant changes in the economic structure will take place until the entire establishment has been thoroughly imbued with the idea that they have become absolutely necessary.

No threats from the U.S., much less from the EEC, are likely to bring this about, because they have for many years proved empty.

As long as "emergency imports," a subsidized voyage by a floating American department store, highly placed buying missions, and other cosmetic measures continue to give temporary relief from Western pressure, the Japanese system will be strengthened in its delusion that no major surgery is necessary.

One way for the West to achieve reciprocity in dealing with Japan would be to follow Japanese methods. That means firm, continuous pressure in a tangible, not verbal, form.

It could, for instance, "suddenly be discovered" that some Japanese automobiles developed mechanical problems on Western highways, necessitating a period "in quarantine."

However, the importers in the trading system of the West, being rather more free, would never accept such measures.

Other alternatives are few. One is for the West to learn to live with perennial trade deficits with Japan and cease the harping that irritates and alienates the Japanese.

Another would be to administer an ultimate "shokku" to the system in the shape of

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formal protectionism, specifically singling out Japan. This is a remedy, however, which may prove worse than the disease.

**Different rules**

There is another possibility, perhaps the most hopeful of all, but it would need a degree of imagination the West has not so far shown.

It would be to strive for the development of an entirely different set of rules to govern trade with Japan.

The first step would be to jettison the fiction that Japan is a free market economy similar to those of the West. To make the point perfectly clear it

would be necessary for the U.S. and the EEC to stop their diplomatic agreement with the Japanese argument that they also must try harder to penetrate the Japanese market.

Another part of a new set of conditions could for instance be direct fixed commitments between Western and Japanese economic institutions for an international division of labour.

This proposal would no doubt initially be denounced by Japanese as discriminatory and unfair. But to allow the conflict to fester indefinitely could lead to a disastrous estrangement, which for Japan would be far worse.

(End of Series)

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ECONOMIC

'YOMIURI' COMMENTS ON NEW 7-YEAR ECONOMIC PLAN

Tokyo THE DAILY YOMIURI in English 6 Jun 79 p 2 OW

[Editorial: "Shaky 7-Year Plan"]

[Text] The government rushed to draw up a new 7-Year Economic Program, centered on doubling the social overhead capital to stimulate domestic demand, because of the forthcoming Tokyo summit but without seemingly sufficient study.

The program is to be carried out during fiscal years 1979-85 and is designed to lower the level of criticism against Japan over its trade surplus.

However, a new oil crisis has arisen because of the Iranian revolution and the renewed price hike offensive by the Organization of Petroleum Exporting Countries (OPEC). We wonder if it is possible for Japan to maintain an economic growth rate of slightly under 6 percent as envisaged in the new program. Also, can the social overhead capital be doubled?

Possible Miscalculation

If the government has failed to take into full consideration these problems, then the new program will be difficult if not impossible to achieve.

Under the program, social overhead capital, now totaling yen 150,000 billion, will be doubled to yen 300,000 billion by fiscal 1985, switching the growth pattern of the economy from an export-led to domestic demand-led pattern. It is to bring into existence a Japanese-style welfare society. The main objective is to appease foreign countries who are critical of Japan because of its surplus in its balance of current accounts.

Economic Planning Agency Director-General Tokusaburo Kosaka intends to travel to the U.S. and Western Europe to explain in detail the plan in advance of the Tokyo summit. However, if the plan does not take into consideration the rapidly changing international economic situation, then Japan may be unable to honor its promise and invite international distrust as a result.

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Ironical Twist

Ironically this plan was hatched when it was becoming clear that Japan would not come under fire at the summit. Concern over the prices and supply of oil is likely to dominate the meetings, and Japan's balance of current accounts surplus has been sharply decreasing since the start of this year.

It is now extremely difficult to predict the oil situation, but in all probability, OPEC at its general meeting just before the summit will further raise oil prices. The government's new program does have a chapter on energy but its wording is abstract and general, and the world economy because of oil pricing and supplies faces the prospects of plunging again into inflation and depression.

The government should be honest enough to revise its program, and promptly, if the oil situation changes prospects for achieving the program's goals.

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ECONOMIC

KEIDANREN AFFILIATE PRESENTS 'BUSINESS JAPAN' ON TV

Tokyo MAINICHI DAILY in English 7 Jun 79 p 5 OW

[Text] A new English-language TV program will start on June 13 for foreign diplomats, businessmen and correspondents in Tokyo over a cable television network. The same program will also be presented in the Kansai area over another cable television network.

The prime-hour 30-minute "Business Nippon" program begins at 9:30 pm on the second and fourth Wednesdays each month with repeats at 8:35 am on the second and fourth Saturdays on the JCTV closed-circuit network (Channel 2 at hotels and apartments in Tokyo).

The commercial-free, dialogue seminar program is intended for foreigners in Japan to deepen their understanding of Japanese economic activities by taking up problems and questions about the Japanese economy as posed by foreign businessmen and correspondents with their participation and with noted Japanese businessmen's participation, said the sponsor, the Japan Institute for Social and Economic Affairs (JISEA), an affiliate of the Federation of Economic Organization (Keidanren).

The JISEA said it will take due care in choosing each installment topic so as to ensure an even-handed approach to Japanese economic relations with Europe and the U.S. as well as the developing countries such as ASEAN.

The inaugural program is subtitled "Problems" and it will sketch the economic problems between Japan, the U.S., and Europe. The scheduled participants are: James S. Balloun, vice president of the American Chamber of Commerce in Japan (ACCOJ) and the coordinator of the recently published "White Paper on U.S.-Japan Trade"; Martin G. Barrow of Jardine Matheson; Masaya Miyoshi, Keidanren director for the International Economic Affairs Department; and Dick Yamashita of Marcom International as the moderator.

Subtitled "Domestic Problems," the second installment will deal with the basic Japanese economic issues such as growth rate, lifetime employment,

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jobless rate, job retraining, environmental protection, and energy on the occasion of the Tokyo summit meeting. It will be participated in by Yoshizo Ideka, president of Mitsui & Co; Masaya Miyoshi, Keidanren director; and Charles Smith, FINANCIAL TIMES correspondent.

The third installment will be entitled "Distribution System" and will be attended by Saiki Tozaki, president of C. Itoh & Co and chairman of the Keidanren Committee on distribution; Miyoshi; and others.

The fourth installment is to be on the "Trade Mission." Samuel Jameson, LOS ANGELES TIMES correspondent, will take part in it together with Miyoshi and trading house officials.

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ECONOMIC

JAPAN MUST SEEK INDEPENDENCE IN OIL SUPPLY, COAL TECHNOLOGY

Avoid Dependence on Mideast

Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 May 79 p 1

[Excerpt] A group to study the correlation of the Mideast political situation and oil supply stability with the development of Siberian oil resources has been formed in Kasumigaseki. If the Soviet Union's principal reason for its intervention in the Mideast is to secure the oil resources, there would be new grounds to reconsider the concept of joint Japan-U.S.-USSR development of the Tumen' oil fields. In other words, should the development of oil fields in Soviet territory be fostered, it may serve to mitigate the USSR's interest in the Mideast to that extent. "Japan is unable to survive without a strategy of such scale," says a medium-level bureaucrat heatedly.

Changing the subject, the world oil market is allegedly in the midst of a distribution revolution. That is, up to now, oil flowed through major oil companies (international oil capital), but recently, the proportion of "DD crude oil" handled directly by oil producing nations has increased. Following the revolution, virtually all Iranian crude oil has changed to DD. For this reason, there is a growing feeling that the power of major oil companies is on the decline.

Reconciliation With Foreign Capital Oil

However, it must be remembered that some view the "power of major oil companies as becoming increasingly greater." This was clearly pointed out by Senator E. Kennedy in his interview with the LOS ANGELES TIMES (April 19 edition). Even if the pipe from oil producing nations were made larger, it must not be forgotten that nearly 60 percent of all crude oil shipped to Japan comes via the major oil companies. Despite the increased proportion of DD crude oil, Japan would be in a quandry should the major oil companies look the other way.

When Exxon notified Japan's oil companies of its intent to curtail the delivery of crude oil because of difficulty of procuring it from Iran, speculations arose that the "major oil companies were ultimately planning

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to withdraw from Japan." The reason that they halted the delivery of crude oil to Japanese oil companies is that they could not make a profit on crude oil alone. That means that they would pull out any time should the Japanese market prove unprofitable. In fact, many of the major oil companies did pull out from Italy after the last oil shock.

The policies of the Ministry of International Trade and Industry, which hitherto had called oil companies as "a source of various evils" and hostilely viewed foreign capital-affiliated oil companies in which the majors have invested, are under pressure for a great Copernican change. A detailed energy strategy in the form of a new concept must be quickly drawn, with no lighthearted interpretation about avoiding dependence on the Mideast.

Renewed Interest in Coal

Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 May 79 p 1

[Text] The renaissance of coal has become the topic of conversation. At the Tokyo Summit at the end of June, it is certain that the "increased use of coal" in place of oil of uncertain supply will be discussed. Why did coal suddenly come to be regarded as the "ace for shedding dependence on oil?"

Countermeasures Against Oil Producing Nations

Major oil companies are engaged in research and development of technology for the renewed application of coal, particularly liquifaction of coal for making synthetic oil. According to Gulf Oil, for example, the world's deposit of coal is approximately 2.2 trillion barrels in terms of oil (enough to last for 100 years at prevailing world oil consumption), of which about 80 percent can be extracted for under \$5.00 a barrel.

Dependence on oil could be reduced if plants such as heavy oil burning thermal power plants switch over to coal or use a mixture of pulverized coal and heavy oil. If coal liquefaction gets on the track, any unease over oil can be laid to rest for at least a hundred years as it also can be used as motor fuel.

But, according to top leaders of Japan's electric power industry, the day that coal will actually replace oil is "very, very distant." Even if the cost of crude oil escalates to the "\$30.00 level per barrel," oil is preferable from the standpoint of overall costs," they contend.

The reason is Japan has no coal resources for generation purposes; coal must be imported as is oil. Facilities to accommodate coal must be newly constructed, and when transport costs are considered, the cost of coal would far exceed the \$30.00 a barrel for oil. Also, the environmental

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problem that would surface in the case of coal burning power stations would hinder the search for other new construction sites. In Japan's domestic industry, there is no move as yet toward the "use of coal."

"That is the wrong attitude. It is imperative that coal be developed as bargaining power toward the oil producing nations. The government and the people should get together to reduce the cost of utilization of coal and strive for realization of the liquifaction technology," says the Liberal Democratic Party's Policy Research Affairs Council Chairman Komoto in coaxing the industrial circles. Komoto apparently feels that a "trump card" is needed as soon as possible to stem the oil producing nations' high oil price strategy by coming up with technology for the production of synthetic oil through coal liquefaction. His thinking is that if synthetic oil were produced and sold at \$35.00 per barrel, "the price of crude oil should not rise beyond that."

Coal Liquefaction Is U.S. Strategy

Among the world leaders attending the Tokyo Summit, U.S. President Carter, who is particularly interested in coal liquefaction, can be expected to call on various nations for cooperation in hastening the realization of coal liquefaction. Japan and West Germany have already decided to cooperate with the United States and have concluded a tri-power coal liquefaction business plan. Efforts are being made to invest more funds than originally decided upon, without waiting until the second half of the 1980s for the plan's realization. The idea is to surmount the "anticipated 1985 oil crisis" with synthetic oil.

However, the U.S. emphasis on coal does not stem from a noble sense of mission of rescuing the world from a "1985 oil crisis." When synthetic oil technology reaches a commercial base, the United States, with her vast coal resources, will convert from an energy importing to an energy exporting nation. It must be remembered that major oil companies also have a stake in the U.S. coal strategy. They have been buying up coal for more than 10 years when the world was awashed with inexpensive oil, and they now control most of the promising mining regions.

"Major oil companies, from around the 1960s, have been working on oil development in the non-OPEC sphere such as the North Sea and Alaska. They began to acquire the world's coal regions and have commenced work on development of technology for coal liquefaction. The development fund of one major oil company is as much as \$2 to 3 billion (about 400 to 600 billion yen). We must lower our heads to such a fully prepared strategy."

The foregoing is a comment of a certain oil company leader. He contends, "Even if the coal age reemerges, Japan must still depend on countries overseas for its entire supply. I do not feel that the imminent coal liquefaction technology is supportable domestically, merely by doling out

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some funds for the U.S. coal liquefaction plan. Even in the coal age, Japan will ultimately be forced to rely on the major oil companies. Therefore, we must reconsider Japan's position and adopt an independent strategy even with respect to development of technology."

On that point, the leaders of various nations who will be attending the Tokyo Summit seem to be thinking "I wish to make my own decision on which energy to use." For example, France assumes the position that "it will take its chance on nuclear energy," while England obviously has the North Sea oil fields in mind. Moreover, West Germany is believed to have participated in the coal liquefaction plan for she has begun her own domestic coal resources.

Resourceless Nation Feel Impact

While coal liquefaction is important, perhaps Japan should strive, like France, for technological development in nuclear energy due to a lack of domestic energy resources. But Japan lags significantly in light water reactor technology, the mainstream of nuclear power stations. Also, in the field of nuclear fusion which is termed as "the energy of the 21st century," Japan is not on the first class level in the world." (Science and Technology Agency.)

There is also a growing feeling that earnest efforts should be made for realization of energy in which there is no foreign dependence, such as "geothermal application making use of many volcanoes" (Chairman Doko of Japan Federation of Employers' Associations) and "solar battery usable on a commercial basis through proddings of the electronics industry" (President Ryokaku of Electric Power Development Co). They will not replace oil as "star performer," but can serve as a secondary performer.

With respect to Chairman Doko's opinion on geothermal application, there are plans to construct 100,000 kilowatt geothermal power stations across the country which, if realized, should produce 10 million kilowatts of power (approximately 10 percent of power currently used in Japan).

Various nations are desperately searching for a substitute for oil as an energy source. As Chairman Doko emphasizes now is the time for Japan to reconsider its past, simple plan and establish an independent research and development strategy.

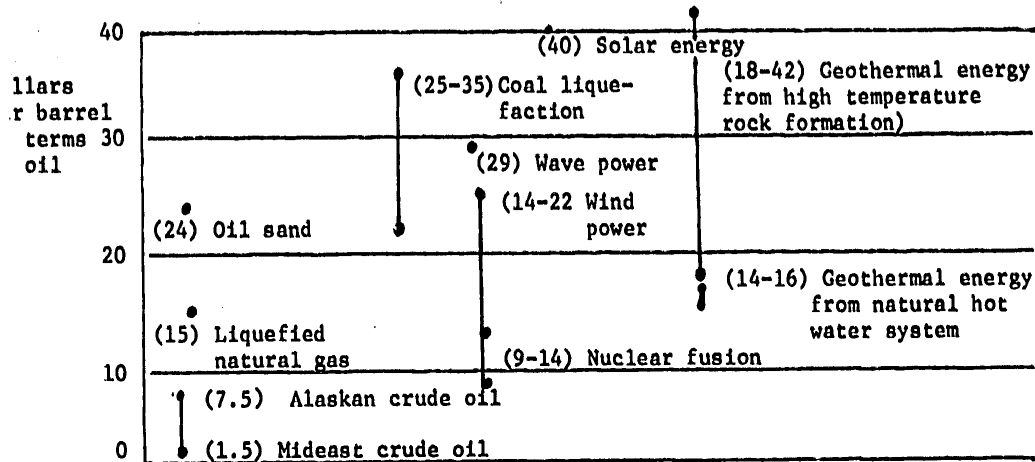
But the development of such an independent technology will require a huge outlay of funds. According to the Science and Technology Agency, "4 trillion yen will be needed over the next 10 years as nuclear energy related research investments." Even if such funds were invested, there is no assurance that nuclear fusion will produce the desired results. But if research and development in the quest of new energy supplies to take the place of oil is neglected owing to high costs, the day will come when we shall have

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to pay the penalty. As the saying goes, the currency market in this world is fixed: "Nothing is more expensive than getting something for nothing."

# Production & Development Costs of Varying Forms of Energy

(Costs of energy not yet realized  
furnished by MITI)



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ECONOMIC

MITI FORECASTS ACUTE SITUATION FOR OIL SUPPLY

Tokyo MAINICHI DAILY NEWS English 1 Jun 79 p 5

[Text]

Japan may suffer an acute oil shortage of some 20 million kiloliters in fiscal 1979 if the current oil supply situation does not improve, it was learned Thursday.

The Ministry of International Trade and Industry (MITI) based the surmise upon the potential oil imports in the April-June period, which, MITI says, will fall 6 million kiloliters short of the target.

MITI said that the government may have to release part of the oil stockpile to cope with an acute oil supply shortage.

Japan now stocks 82-83 days' supply of oil. But after the release of the oil stockpile, the level of the stockpile will drop far below the 70-day mark which MITI believes is a psychological safety line for a stable supply of oil.

Under the circumstances Japan will have to take stricter measures to save oil beyond the

6 percent target agreed by the International Energy Agency (IEA).

MITI says that uncertainties will remain in the world oil supply for the time being. Many oil producing countries are taking concerted action to cut back on production though Iran's oil production has recovered to the 4 million barrels per day (bpd) level recently.

MITI says that during the July-September period the oil supply situation will not turn for the better and it is almost impossible to talk about oil supply after October.

The nation's total oil imports in fiscal 1979 will be around 270 million kiloliters -- the same as in fiscal 1978. On the other hand, MITI believes oil consumption this fiscal year will top 281 million kiloliters if the present pace of consumption continues for the rest of the year.

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ECONOMIC

BRIEFS

COAL POWERPLANT--The Electric Power Development Company and the Tokyo Electric Power Company are planning to construct a large-scale coal thermal power plant in Ibaraki Prefecture, a source in the electric power industry has disclosed. The planned plant with three generators for 1 million kwt each will be the largest coal thermal power plant in Japan and one of the biggest such plants in the world. Japan's total electric supply through coal thermal plants at present is 4.4 million kwt, with 37 generators. Construction of the new plant is planned for fiscal 1985 with completion during fiscal 1988. [Tokyo THE DAILY YOMIURI in English 9 Jun 79 p 1 OW]

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SCIENCE AND TECHNOLOGY

RESEARCH ON JET SEAPLANE, HYDROGEN PLANE TO BE PROPOSED

Tokyo ASAHI EVENING NEWS in English 23 May 79 p 3

[Text]

The policy subcommittee of the Aircraft Industry Committee of the Aircraft and Machinery Industries Council intends to propose that research be carried out on jet seaplanes, which will not require airports, and on planes, which will run on hydrogen extracted from seawater rather than oil.

The Aircraft and Machinery Industries Council is an advisory organ to the Minister of International Trade and Industry. The Aircraft Industry Committee's policy subcommittee met Tuesday to study the expected demand for aircraft.

Japan's seaplane technology is considered the highest in the world. The US-1 produced by Shinmeiwa Industry can take off and land even in bad weather when waves are three meters high and there is a 25-meters-per-second wind blowing. It is being used for marine development and sea rescue work.

The US-1 is a jet-propelled plane, but the policy subcommittee wants to convert it into a jet plane and develop it for passenger transport within Japan.

The Transport Ministry in-

tends to improve and enlarge the nation's airports over the next seven years to keep up with the rapidly increasing popularity of air travel in Japan.

Local governments want to be served by aircraft that don't require airports. Jet seaplanes can fill this demand, for they can take off and land on the sea and lakes. In case of emergencies, they can land on almost any body of water.

To fill such a demand, the council is carrying out research on a 40-passenger jet seaplane. 'A jet seaplane which can take off in 200-300 meters of space has already been designed. The policy subcommittee felt that such a jet seaplane would aid regional development and was in line with Prime Minister Masayoshi Ohira's pastoral city plan.

The opinion was expressed that the jet seaplanes should be exempted from the aircraft fuel tax, which is imposed to obtain funds for constructing airports.

The hydrogen plane is the star of the oil-short age. It uses as fuel liquefied hydrogen produced from sea water.

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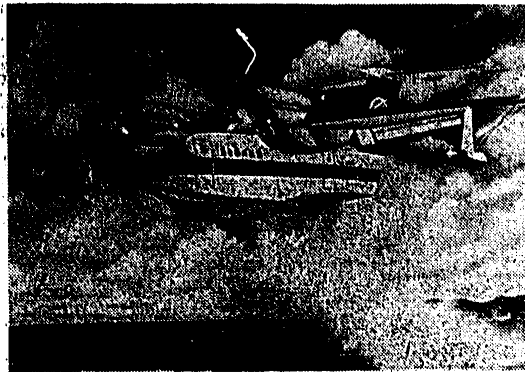
It is believed that in 1990 four times as much jet fuel as today will be needed, and this demand may be impossible to meet.

Among the most attractive features of hydrogen fuel are that its sources are virtually limitless, it produces very little nitrogen oxides and there is little pollution.

Research has been carried in the United States for more

than 20 years, and McDonnell Douglas Corp. is developing a hydrogen plane capable of carrying 600 passengers.

The policy subcommittee will submit its report to ITI Minister Masumi Esaki by July. On the basis of the report, MITI intends to request funds for research on and development of jet seaplanes and hydrogen planes in the fiscal 1980 budget.



An artist's version of a jet seaplane, which could serve rural areas and small cities lacking airports.

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SCIENCE AND TECHNOLOGY

PNC UNVEILS NEW NUCLEAR FUEL ENRICHMENT CENTRIFUGES

Tokyo THE JAPAN TIMES in English 9 Jun 79 p 2 OW

[Text] The Power Reactor and Nuclear Fuel Development Corp Friday unveiled its newly-developed centrifuges to be used at a nuclear enrichment pilot plant now under construction at Ningyo Pass in Okayama Prefecture. The centrifuges were shown to the press at the corporation's complex at Tokai, Ibaraki Prefecture.

First-phase construction of the pilot is near completion and the corporation is scheduled to start producing enriched uranium in August this year.

In the second phase of construction, the corporation plans to install 3,000 newly-developed centrifuges named BT3. The BT3's are scheduled to go into operation in the summer of next year. The corporation said the BT3 was 1.5 times as efficient as the centrifuges that were installed in the first-phase construction work.

The corporation claimed that the BT3 rivals in efficiency the centrifuge used by a joint uranium enrichment company of Britain, West Germany, and the Netherlands.

The BT3 is a cylinder 30 cm in diameter and two meters tall. One unit consists of 21 of them. The BT3's enrich natural uranium to contain 3.5 percent uranium 235. Natural uranium is 0.7 percent uranium 235.

The pilot plant will be made up of 7,000 centrifuges. Of them, 3,000 will be a more efficient centrifuge currently under development known as the OP2. OP2's will be installed in 1981.

The original capacity of the pilot plant was set at 50 tons SWU (centrifugal work unit) per year. However, with the development of BT3's and OP2's, the corporation estimated that the eventual capacity of the pilot plant would reach 70 tons SWU a year.

When the pilot plant goes into full operation, it will produce enough uranium 235 to run a nuclear power plant with an output capacity of 500,000 kw each year.

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SCIENCE AND TECHNOLOGY

GENETIC ENGINEERING RESEARCH SURVEY GROUP FILES REPORT

Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 May 79

[Text] The survey team on genetic engineering (manipulation of genes) which the government and industry jointly sent overseas compiled a report of the results of having inspected entities concerned with this research in five countries in Europe and America including Britain and the United States and released this report on 8 April. The report says that "it is becoming clear that genetic engineering tests are not as dangerous as had been originally thought and the countries of Europe and America have greatly relaxed their restrictions." The leader of the group Masashi Yamamoto (who is head of the Combined Institute of Clinical Medicine in Tokyo) gave a press conference in which he said, "We received the impression that regulatory trends have moved far ahead of Japan and we are lagging far behind in research and development in this field. The members of the group are in agreement that Japan must conduct more determined research in the future." He suggested that it is necessary that the Science and Technology Council (the Prime Minister's advisory organ, chaired by Prime Minister Ohira) relax the Japanese regulations it is now studying to place them on par with those in Europe and America. Genetic engineering is the technique of splitting DNA (deoxyribonucleic acid) with special enzymes and shifting the separated strand to another living cell to form a new cell. With this technique it is possible to use colon bacilli, etc. to cheaply produce large volumes of insulin (medicine for treating diabetes) and other hormones and antibiotics. While the technique can be useful in making it possible to treat hereditary diseases, there is also the latent danger that dangerous pathogenic bacteria not existing in the world of nature can be produced.

On 8 April, the Scientific Council which is the advisory organ to the minister of education (chaired by Masao Yoshiki) inaugurated a "DNA (deoxyribonucleic acid) Engineering Group" (chaired by Tadashi Watanabe of Keio Private University) which will monitor genetic engineering experiments being conducted at universities and entities subordinate to the Ministry of Education. The first meeting of the group was held the same day.

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The group is not solely composed of specialists; it consists of 16 experienced scholars from various fields and includes such people as author Sakyo Komatsu. Within the range of the wisdom of the people it will decide on the advisability of proceeding with experiments.

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END